

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In Re: W.R. GRACE & CO., et al Debtors	§ § § § §	Chapter 11 Jointly Administered Case No. 01-1139 (JJF)
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**FEE AUDITOR'S FINAL REPORT REGARDING
INTERIM APPLICATION OF THE OFFICIAL COMMITTEE OF
ASBESTOS PROPERTY DAMAGE CLAIMANTS**

This is the final report of Warren H. Smith & Associates, P.C. ("Smith"), acting in its capacity as fee auditor in the above-captioned bankruptcy proceedings, regarding the Interim Application of the Official Committee of Asbestos Property Damage Claimants (the "Application").

BACKGROUND

1. The Official Committee of Property Damage Claimants (the "Committee") was appointed by the United States Trustee to represent the interests of the asbestos property damage claimants in the Consolidated Cases. In the Application, the Committee seeks approval of expenses totaling \$41,582.59 for its services from January 1, 2002, through April 30, 2001 consisting of \$8,154.64 in expenses sought by the Catholic Archdiocese of New Orleans, \$14,275.42 in expenses sought by Marco Barbanti and \$19,152.53¹ in expenses sought by Anderson Memorial Hospital.

2. In conducting this audit and reaching the conclusions and recommendations contained herein, we reviewed in detail the Application in its entirety, including each of the time entries included in the exhibits to the Application, for compliance with the Local Rule 2016-2 of the Local

¹The law offices of Speights & Runyan, counsel to Anderson Memorial Hospital, is submitting expenses for the period of May 16, 2001 through March 20, 2002. This is the first request for reimbursement of expenses to Anderson Memorial Hospital.

Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2001, and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, Issued January 30, 1996, (the "Guidelines"), as well as for consistency with precedent established in the United States Bankruptcy Court for the District of Delaware, the United States District Court for the District of Delaware, and the Third Circuit Court of Appeals.

DISCUSSION

General Issues

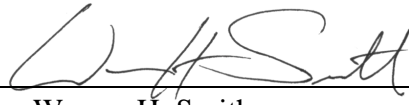
3. We have noted that the charges for travel-related expenses were not supported by detail that allowed us to determine whether such expenses were reasonable. The Guidelines, paragraph II.E.1., states “. . . [f]actors relevant to a determination that the expense is proper include the following: 1. Whether the expense is reasonable and economical. For example, first class and other luxurious travel mode or accommodations will normally be objectionable.” We asked the Committee to confirm that the air fares for which reimbursement was requested were coach class and Counsel for the Committee responded “. . . that all airfares for which reimbursement is requested are for coach fares.” Thus we have no objection to these expenses.

CONCLUSION

4. Thus we recommend that for the period of January 1 through April 30, 2002, the Catholic Archdiocese of New Orleans be reimbursed \$8,154.64, Marco Barbanti be reimbursed \$14,275.00, and Anderson Memorial Hospital be reimbursed \$19,152.53.

Respectfully submitted,

WARREN H. SMITH & ASSOCIATES, P.C.


By: 
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FEE AUDITOR

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served First Class United States mail to the attached service list on this 19th day of November, 2002.



Warren H. Smith

SERVICE LIST

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